

Message Text

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62

ORIGIN AID-20

INFO OCT-01 EA-11 ISO-00 CIAE-00 INR-10 NSAE-00 RSC-01

DODE-00 EB-11 IGA-02 TRSE-00 OMB-01 L-03 SPC-03 /063 R

DRAFTED BY SA/C:GKAMENS:REF

APPROVED BY AA/SA:RHNOOTER

SA/VN:DDEMBOWSKI (DRAFT)

EA/LC:LMRIVES (DRAFT)

----- 018324

R 182020Z JAN 74

FM SECSTATE WASHDC

TO AMEMBASSY PHNOM PENH

INFO AMEMBASSY SAIGON

C O N F I D E N T I A L STATE 011706

E.O.11652:GDS

TAGS: EAID, EFIN, CB

SUBJECT: BLOCKED FRENCH FRANCS - MEETING WITH UM SIM

REFS: A. SAIGON 303 B. STATE 199635

1. IN COURSE OF JANUARY 10 DISCUSSION WITH CAMBODIAN AMBASSADOR UM SIM, NOOTER BROUGHT UP SUBJECT OF UNBLOCKING FRENCH FRANCS AS ONE MEANS OF RELIEVING CAMBODIA'S CURRENT FINANCIAL PROBLEMS. WE POINTED OUT THAT SCARCITY OF AID FUNDS THIS YEAR WOULD PROBABLY REQUIRE SOME DRAWDOWN OF GKR RESERVES, AND SUGGESTED THAT KHMERS SHOULD MAKE RENEWED EFFORT TO COME TO AGREEMENT WITH GVN ON BLOCKED FRANCS.

2. WE ALSO SUGGESTED THAT GKR NOT BE OVERLY CONCERNED WITH PERCENTAGE FORMULA TO BE USED IN SETTLEMENT. SINCE AID FUNDS FOR BOTH CAMBODIA AND VIETNAM COME FROM SAME SOURCE, WE PROPOSED THAT, IF GKR SETTLED FOR SMALLER PERCENTAGE THEN IT WAS NOW CLAIMING, U.S. WOULD TAKE THIS INTO CONSIDERATION IN ALLOCATING IPR FUNDS BETWEEN CAMBODIA AND VIETNAM.

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3. UM SIM INDICATED SOME INTEREST IN THIS FORMULATION, BUT ALSO RESTATED GKR CONCERNS RE OTHER CLAIMS GVN IS PRESSING AGAINST GKR. WE STATED THAT GKR SELF-INTEREST SHOULD FAVOR SETTLEMENT OF BLOCKED FRANC MATTERS INDEPENDENTLY FROM

OTHER CLAIMS, IN VIEW OF GKR NEED FOR FOREX AT THIS TIME.

4. RE REF. A, CHABRIER (IMF) SAID IT QUITE UNLIKELY THAT IMF/WASHINGTON WOULD GIVE ANY FURTHER INSTRUCTIONS TO TOMASSON AND EVERS ON THIS MATTER BECAUSE NEITHER KHMER NOR VIETNAMESE WOULD WELCOME FURTHER FUND ATTEMPTS AT MEDIATION. RATHER, HE BELIEVES THAT ISSUE CAN ONLY BE RE-SOLVED, IF AT ALL, AT QUOTE POLITICAL LEVEL UNQUOTE, AND EXPRESSED HOPE THAT U.S. EMBASSY IN PHNOM PENH COULD URGE AT HIGH LEVEL THAT SETTLEMENT BE REACHED. RUSH

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Message Attributes

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Copy: SINGLE
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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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